

A. G. Contract No. KR91-2296-TRD
ECS File: JPA-91-68
TRACS: H 0877 01 D
Project: Estrella Frwy. SR 303L
Section: Grand Avenue-I-17

AGREEMENT
BETWEEN
THE STATE OF ARIZONA
AND
THE DEL E. WEBB DEVELOPMENT CO., L.P.

THIS AGREEMENT is entered into 24 July, 1992, pursuant to Arizona Revised Statutes Section 28-108, as amended, between the STATE OF ARIZONA, acting by and through its DEPARTMENT OF TRANSPORTATION (the "State") and the DEL E. WEBB DEVELOPMENT CO., L.P., a Delaware limited partnership, acting by and through DEL WEBB COMMUNITIES, INC., its general partner ("Del Webb").

I. RECITALS

1. The State is empowered by Arizona Revised Statutes Section 28-108 to enter into this agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has delegated to the undersigned the authority to execute this agreement on behalf of the State.

2. Del Webb is empowered to enter into this agreement and Del Webb Communities, Inc. has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement in its capacity as the general partner of Del Webb and has authorized the undersigned to execute this agreement on behalf of Del Webb Communities, Inc. as the general partner of Del Webb.

3. Del Webb has proposed an adjustment to the adopted Estrella Freeway hereinafter referred to as the "Freeway", alignment north of Sun City West in a zone stretching roughly three (3) miles east of Grand Avenue and west of the 131st Avenue (Dysart Road) alignment. The State has approved the revised alignment concept proposed by Del Webb (the "Proposed Alignment"), subject to certain conditions herein described. In exchange, Del Webb has offered to donate 43.4 acres of land and up to an additional 29.1 acres upon Del Webb's acquisition of adjacent land parcels. The State has analyzed this proposal and conducted a preliminary cost-benefit analysis of its effects on the Freeway program.

4. The State has determined that Del Webb's proposal to donate freeway right of way in exchange for an alignment shift will result in a net benefit to the State and the Maricopa Association of Governments (MAG) system. In addition, the Proposed Alignment will reduce drainage costs, limit impacts on other parcels within the proposed Del Webb expansion area, eliminate the need to construct interchanges, and reduce the risk of future severance costs from other development scenarios.

5. The Proposed Alignment extends to the east of the property owned by Del Webb in Section 16, T4N, R1W, G&SRB&M and bisects adjacent parcels not owned by Del Webb, as shown on Exhibit "A" and "B", attached hereto and made a part hereof. This may impose increased costs on the State in the form of severance damages to these parcels, which Del Webb will reimburse the State, as set forth in Section II, Paragraph 2 h.

6. The provisions in this agreement are contingent upon the State Transportation Board's approval of a Resolution of Establishment for the Proposed Alignment.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

II. SCOPE OF WORK

1. The State will:

a. Recommend to the State Transportation Board, the adoption of the Proposed Alignment, as set forth in Exhibit "A", subject to and contingent upon the following:

i. Receipt of fee title of all donated highway right of way as set forth herein Paragraph 2 a and b, which shall be free and clear of all monetary liens and encumbrances, including but not limited to all taxes, general and special assessments, easements and agricultural leases of any kind, except, fee title to be conveyed for property described herein Paragraph 2 b, shall be subject to a reservation of an easement as described, and will also be subject to any existing utility easements as further specified in Section II, Paragraph 1e.

ii. Del Webb completing 1) Final Environmental Assessment; 2) Final Location and Design Report; 3) Final Drainage Report; 4) Final Noise Report; 5) Final Utility and Irrigation Conflict Report; 6) Public Information Document and right of way documents ("the Reports"), to the State's satisfaction and that there are no hazardous materials contamination or significant archaeological findings.

iii. Receipt of reimbursement for actual costs incurred by the State to review the above said documents, subject to the limitations set forth herein Paragraph 2 f.

b. Coordinate with Del Webb during the design phase to allow Del Webb, regardless of the Freeway profile, to construct berms, walls and landscaping outside the State's right of way, to mitigate the noise and visual problems associated with the Freeway. The State will allow Del Webb a six (6) month time period during the design phase, which will allow Del Webb the opportunity to explore depressing the section of the Freeway adjacent to Sun City West and/or the proposed Del Webb expansion property, with no additional cost to the State.

c. Direct its consultant or staff to review the Proposed Alignment and the various documents identified herein Paragraph 1 a ii.

d. Grant a revocable permit to Del Webb to use the right of way necessary for the Freeway, located between Grand Avenue and Deer Valley Drive at the northwest tip of the Sun City West Project (Section 19, T4N, R1W, G&SRB&M), herein referred to as the "Tip Property", for storage and maintenance, as shown on Exhibit "C", attached hereto and made a part hereof. Said permit shall be subject to a \$1.00 per year fee, require a 60 day written notice of termination by either party, and shall not allow underground storage of any types of fuel or other hazardous materials. Storage of materials will be according to approved industry standard methods and no unregulated releases of hazardous materials shall be allowed. Del Webb will provide the State with a Phase I environmental assessment of the Tip Property before and after the term of the Permit and Del Webb will clean up any hazardous material contamination as provided in Section II, paragraph 2.c.

e. Have the right to relocate any utilities and be responsible for the cost to relocate any utilities (except any public utilities which are in place via a revokable instrument) within the donated right of way in place on the date of this agreement, which are identified in the addendum to the Utility and Irrigation Conflict Report. Any utilities installed (other than the utilities placed within the easement on the Tip Property) after the date of this agreement shall be made pursuant to a State permit, the cost of which shall be borne by the utility owner.

f. Upon expiration of easement as described herein Paragraph 2 b, grant Del Webb a permit for utilities located within said easement.

2. Del Webb will:

a. Subject to the adjustment of the adopted Freeway alignment, as shown on Exhibit "A", donate the required right of way width of 350 feet (300 feet to the State for the Freeway plus 50 feet to Maricopa County for the south half of Pinnacle Peak Road) in the north 1/4 of Section 16, T4N, R1W, G&SRB&M.

b. Donate to the State, part of Section 19, T4N, R1W, G&SRB&M (the Tip Property), as shown on Exhibit "C", consistent with the Freeway alignment, as shown in said Reports described herein Paragraph 1 a ii. Said deed for the Tip property shall contain a reservation of an easement for utilities to cross under the Freeway (not parallel) including but not limited to, waterline and water conveyance facilities. Said reservation of an easement shall contain the following:

i. The State's right to review and concur with the engineering plans and specifications for utilities placed within the Freeway right of way;

ii. A location agreed upon by both parties prior to construction of the Freeway;

iii. A stipulation of expiration upon commencement of construction of the Freeway; and that upon expiration of said easement, the State will grant Del Webb a permit for utilities located within the easement.

c. Prior to the expiration of the permit for use of the Tip Property, be responsible for restoring the Tip Property to the condition existing as of the date of the permit, including but not limited to, clean-up of any hazardous material contamination according to ADEQ and EPA standards, and removal of any structures and improvements placed on said property by Del Webb.

d. Convey to the State, the Property described herein by special warranty deed. Each deed shall convey title to the applicable portion of the right of way in fee simple, free and clear of all monetary liens and encumbrances, leases and assessments, and subject only to taxes accruing from and after the date the deed is recorded, all matters of record, and all matters that an accurate survey or physical inspection would disclose. Each deed shall contain automatic rights of reversion to Del Webb if the State legally abandons completely its effort to build the freeway, or if the State adopts an amended freeway alignment not located on the property donated by Del Webb pursuant hereto.

e. Direct its consultant to review and analyze the Proposed Alignment shift and adjust the documents identified herein Paragraph 1 a ii, to the State's satisfaction.

f. Reimburse the State actual costs paid to its consultant, an amount not to exceed \$6,000.00, for reviewing and analyzing said documents as described herein Paragraph 1 a ii.

g. Donate to the State the required right of way width of 300 feet for the Freeway for the east 1/4 of Section 17 and the west 1/2 of Section 15, T4N, R1W, G&SRB&M. This donation is contingent upon Del Webb's future acquisition of these parcels, provided, however, that should Del Webb not acquire said parcels, donation will not be required.

h. Reimburse the State for severance damages paid by the State during future acquisition of the 40A parcel, shown on Exhibit "B", if the State has to acquire said parcel and is required to pay severance damages.

i. Agree not to pursue any freeway interchanges for Bullard Avenue or Litchfield Road into the expansion area north of existing Sun City West.

j. Waive, relinquish and abandon any claim it may have for severance damages to other properties, resulting from the conveyance of the Tip Property and that property shaded on Exhibit "A", resulting from the State's acquisition and/or the future construction of the proposed Estrella Freeway and related improvements in the manner proposed by the State, but only so long as the alignment and design of the Freeway is consistent with the Proposed Alignment and the Reports; including, but not limited to, irrigation facilities, water-delivery systems, sewer system, power distribution system and agricultural crops.

III. MISCELLANEOUS PROVISIONS

1. This agreement may be canceled by either party, prior to the approval of the proposed alignment by the State Transportation Board, upon thirty (30) days written notice to the other party.

2. This agreement shall become effective upon execution by both parties. Neither party shall record this agreement with the County Recorder.

3. This agreement shall be binding upon Del Webb and or any of its successors in interest or grantees and assignees.

4. The provisions of Arizona Revised Statutes Section 35-214 are applicable to this contract.

5. In the event of any controversy which may arise out of this agreement, the parties hereto agree to abide by required arbitration as is set forth for public works contracts in Arizona Revised Statutes Section 12-1518(B) and (C).

6. All notices or demands upon any party to this agreement shall be in writing and shall be delivered in person or sent by mail addressed as follows:

Arizona Department of Transportation
Engineering Consultants Services
205 South 17 Avenue, M. D. 616E/Room 222E
Phoenix, AZ 85007

Del E. Webb Development Co., L.P.
Attn: General Counsel
2231 E. Camelback Road, Suite 400
Phoenix, AZ 85016

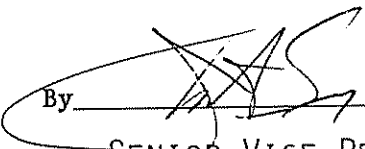
7. This agreement constitutes the entire agreement between the parties and reflects the reasonable expectations of the parties pertaining to the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

DEL E. WEBB DEVELOPMENT CO., L.P.,
a Delaware limited partnership

STATE OF ARIZONA
Department of Transportation

BY DEL WEBB COMMUNITIES, INC.,
an Arizona Corporation,
Its General Partner

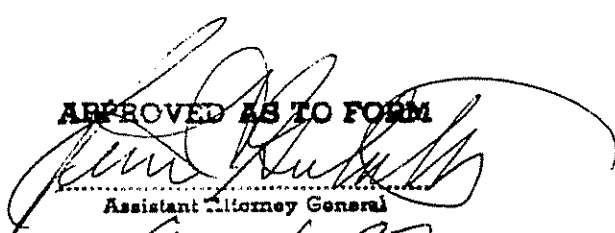
By 
SENIOR VICE PRESIDENT
Title

JULY 22, 1992
Date

By 
ROBERT P. MICKELSON, P.E.
Deputy State Engineer

7/24/92
Date

APPROVED AS TO FORM


Assistant Attorney General

Date

Aug 6, 92

RESOLUTION

BE IT RESOLVED on this 13th day of June 1991, that I, JAMES S. CREEDON, as Acting Director of the Arizona Department of Transportation, have determined that it is in the best interest of the State of Arizona that the Department of Transportation, acting by and through the Highways Division, to enter into an agreement with the Del Webb Corporation for the purpose of dedicating right of way for the Estrella Freeway in exchange for a minor shift in the alignment adopted by the Transportation Board.

Therefore, authorization is hereby granted to draft said agreement which, upon completion, shall be submitted for approval and execution by the Deputy State Engineer.

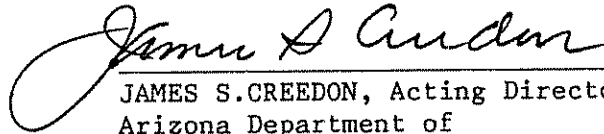
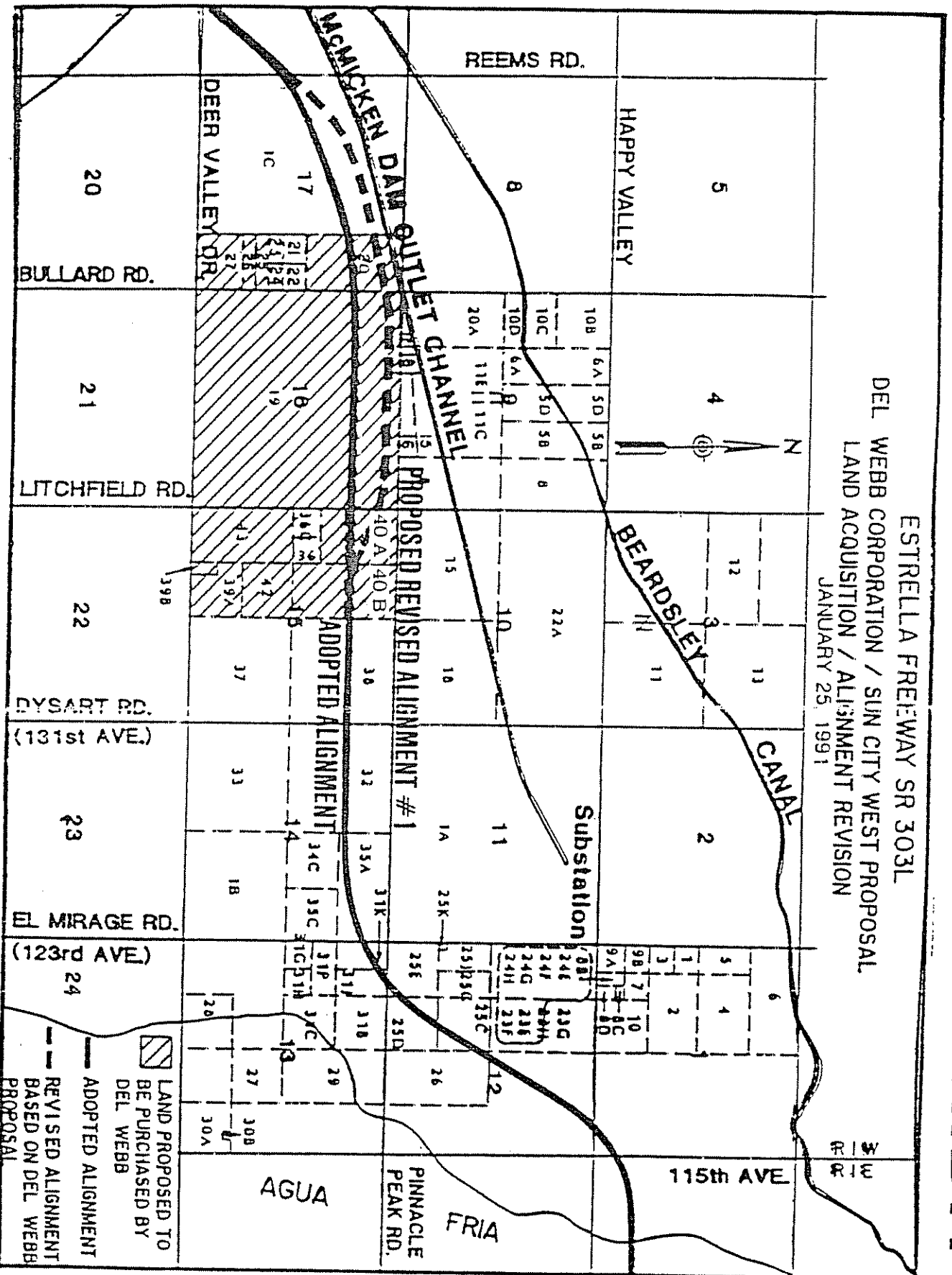

JAMES S. CREEDON, Acting Director
Arizona Department of
Transportation

EXHIBIT A

ESTRELLA FREEWAY SR 303L

DEL WEBB CORPORATION / SUN CITY WEST PROPOSAL
LAND ACQUISITION / ALIGNMENT REVISION
JANUARY 25, 1991



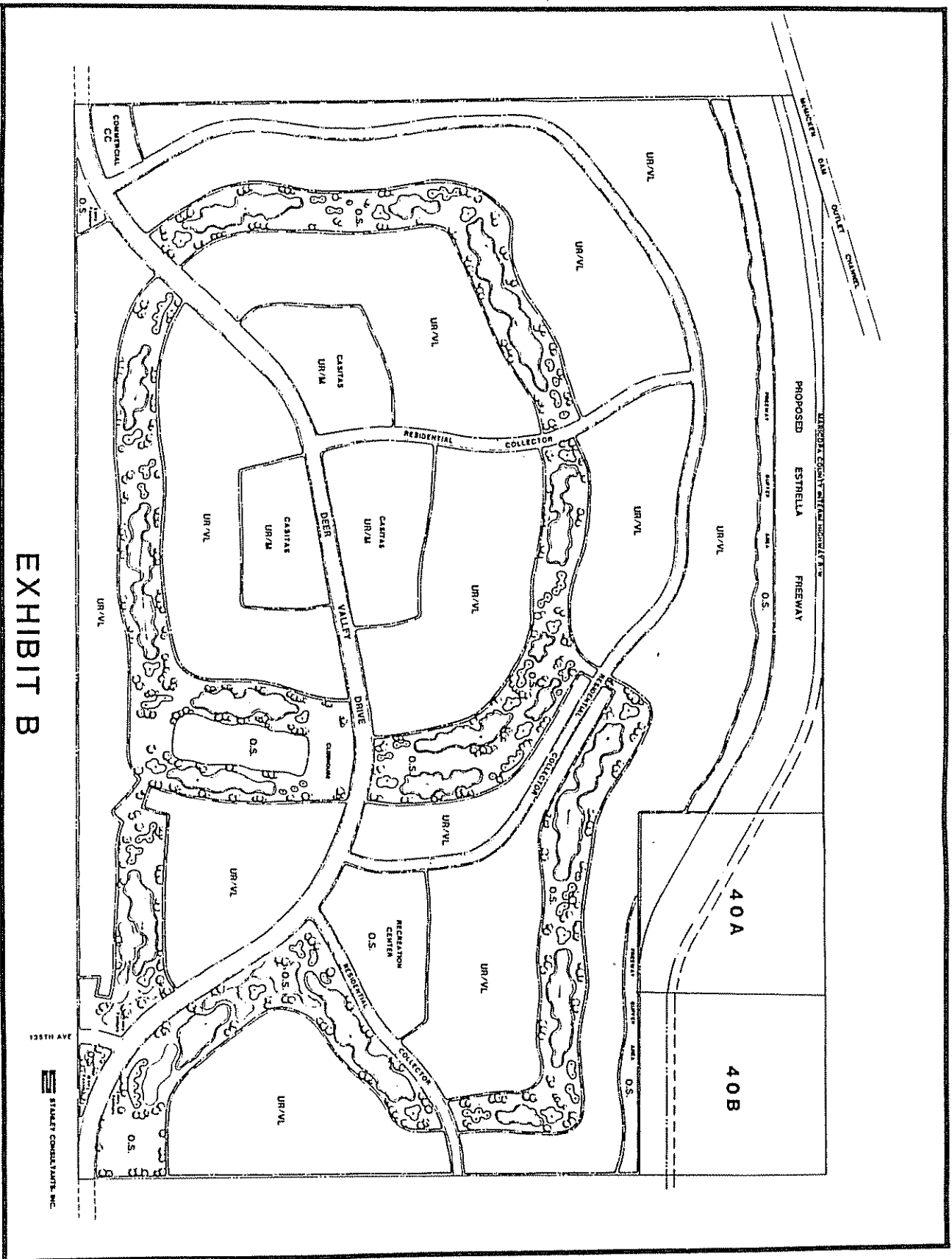


EXHIBIT B

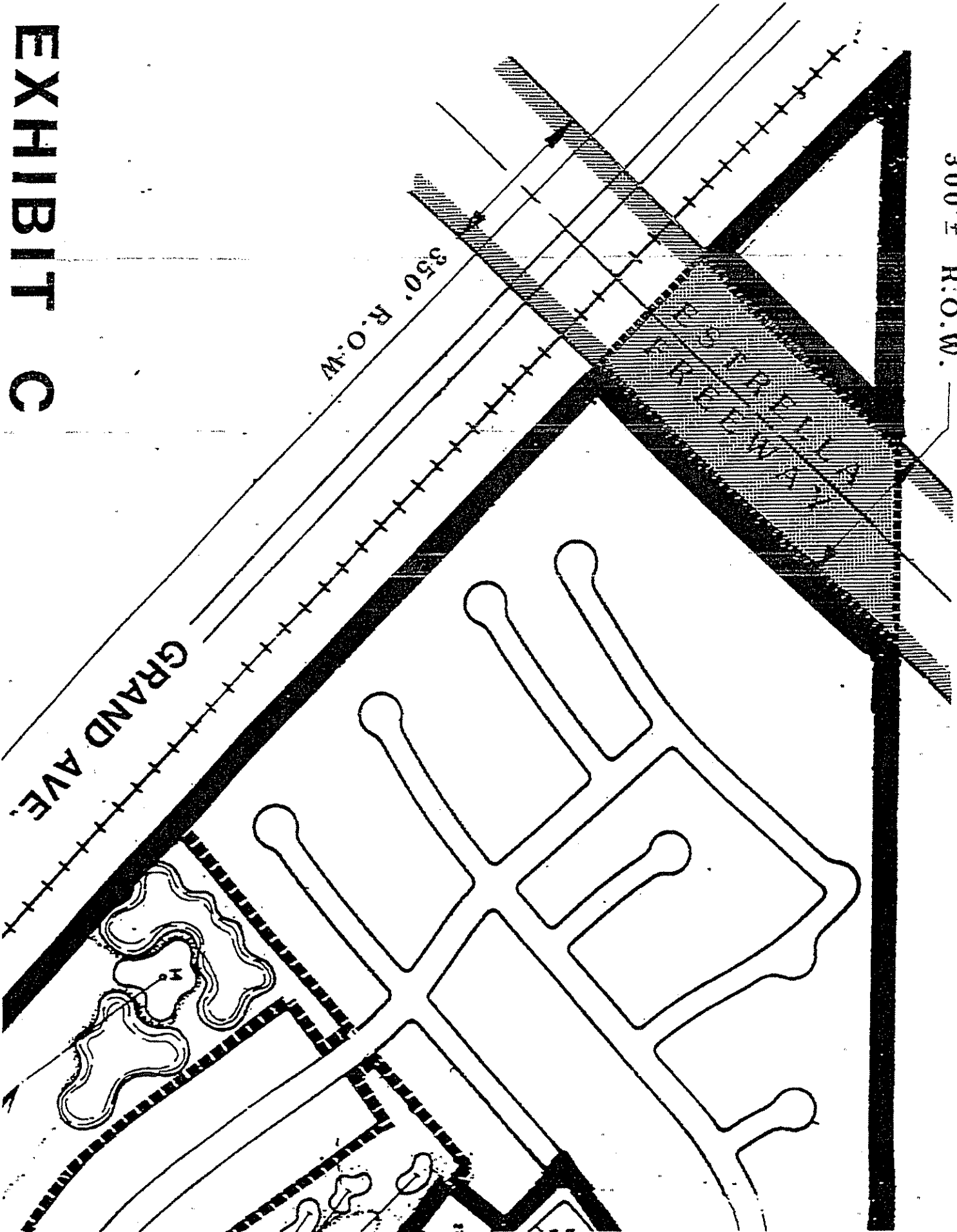
300' ± R.O.W.

W. 1/2
S. 1/2
T. 1 N.
R. 1 E.

350' R.O.W.

GRAND AVE.

EXHIBIT C



UNANIMOUS WRITTEN CONSENT
OF THE
BOARD OF DIRECTORS
OF
DEL WEBB COMMUNITIES, INC.

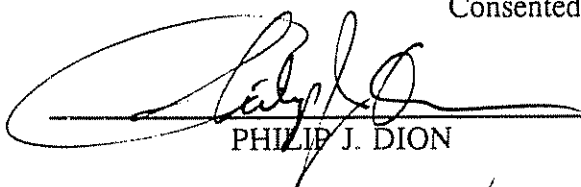
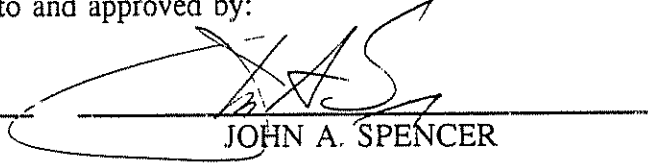
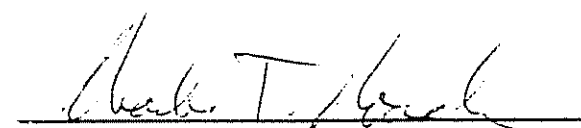
JULY 21, 1992

The undersigned, being all of the members of the Board of Directors of Del Webb Communities, Inc., an Arizona corporation, General Partner of Del E. Webb Development, Co., L.P., a Delaware limited partnership ("DEVCO"), on behalf of DEVCO, do hereby consent to the adoption of the following Resolution, pursuant to §10-044 of the Arizona Revised Statutes:

WHEREAS, Del Webb Communities has determined, on behalf of DEVCO, that it shall enter into an agreement with the State pertaining to an adjustment to the adopted alignment of the Estrella Freeway planned to be located north of Sun City West.

NOW THEREFORE, LET IT BE RESOLVED, that DEVCO is hereby authorized and empowered to enter into this Agreement, dated 7/24/92, and has authorized John A. Spencer, Senior Vice President, Del Webb Communities, to execute this Agreement on behalf of Del Webb Communities, Inc., as the general partner of DEVCO.

Consented to and approved by:

 _____ PHILIP J. DION	 _____ JOHN A. SPENCER
 _____ CHARLES T. ROACH	

Which individuals constitute all of the Directors of
Del Webb Communities, Inc.

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

7/22/92

PRODUCER

Orth-LaPrade Insurance
4722 North 24th Street
Phoenix, AZ 85016

602-957-2604

INSURED

Del Webb Development
Del Webb Corporation, et al
P.O. Box 29040
Phoenix, AZ 85038

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
LETTER

A

Aetna Casualty & Surety

COMPANY
LETTER

B

COMPANY
LETTER

C

COMPANY
LETTER

D

COMPANY
LETTER

E

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

DO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	067C0022267133	7/01/92	7/01/93	GENERAL AGGREGATE \$ 2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$ 2,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$ 1,000,000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 100,000
					MED. EXPENSE (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Certificate holder is included as additional insured with respect to acts or omissions of named insured arising out of named insured's use of certain land owned by certificate holder ("TIP Property") north of Sun City West, AZ

CERTIFICATE HOLDER

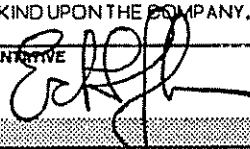
State of Arizona
Department of Transportation
Highways Division
206 S. 17th Ave.
Phoenix, AZ 85007

ACORD 25-S (7/90)

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES

AUTHORIZED REPRESENTATIVE



468673000

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